

INTERNAL REVENUE SERVICE

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Dear [REDACTED]:

This letter is in response to your inquiry dated August 30, 2000, on behalf of your constituent [REDACTED]. [REDACTED] asked for information about federal income tax deductions for the elderly and the blind. He said he cannot claim the additional deductions because he itemizes his deductions. I hope the following information will help explain how changes in the tax laws have affected these deductions.

The Congress created the standard deduction method to reduce recordkeeping burdens on taxpayers by providing a standard amount that could be claimed in lieu of the actual allowable deductions. For tax years beginning after 1985, the Congress increased the standard deduction amount by additional amounts for the elderly and the blind. Because these additional amounts are a feature of the standard deduction, and because the standard deduction may only be claimed by individuals who do not itemize, an individual who itemizes deductions cannot claim these additional amounts.

The additional amounts for the elderly and the blind became a feature of the standard deduction when the tax laws changed in 1986. For tax years before 1986, the additional amounts for the elderly and the blind were taken into account in the deduction for personal exemptions. The deduction for personal exemptions may be claimed regardless of whether the individual itemizes deductions or claims the standard deduction. Thus, for years before 1986, the additional deductions for the elderly and the blind were available for all eligible individuals, regardless of how they file.

The change in these deductions was part of the Tax Reform Act of 1986 (the Act), 1986-3 (Vol. 1) C.B. 1. The Act also reduced tax rates, raised the personal exemption amount, and replaced the zero bracket amount (ZBA) with a higher standard deduction. The Senate Report accompanying the Act states:

The tax burden on elderly or blind taxpayers is eased ... apart from the effect of rate reductions. The income tax credit for the elderly or disabled is left unchanged from present law. The present-law personal exemptions and ZBA (standard deduction) are restructured by increasing the standard deduction and exemptions .... The higher standard deduction goes into effect one year earlier (in 1987) for elderly or blind individuals than it does for all other taxpayers (in 1988), and it is augmented by an additional \$600 for each elderly or blind individual. The additional \$600 and higher personal exemptions and standard deduction offset loss of the additional personal exemption.

S. Rep. No. 313, 99<sup>th</sup> Cong., 2d Sess. (1986), 1986-3 (Vol. 3) C.B. 38 (emphasis added).

Although the legislative history does not give a specific reason for moving the additional amounts for the elderly and the blind from the personal exemptions deduction to the standard deduction, the Congress may have believed that the overall changes made by the Act would result in a net benefit to the elderly and the blind.

I hope this information is helpful. [REDACTED]

Sincerely,

Associate Chief Counsel  
(Income Tax & Accounting)

By: \_\_\_\_\_  
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